

Back up Material

April 15, 2003

Independent Lumber, Inc.
2030 S. Cushman Street
Fairbanks, AK 90701

Certified Mail #:

ATTN: Louis Wikander

RE: Emmonak Washeteria Design, Construction Documents, Material Supplier
and Construction Support

SUBJECT: The Timely Delivery and approval of The Design, Construction
Document, The Document Approval, Materials, Equipment and Supplies
Listing.

Dear Mr. Wikander:

The City of Emmonak (EMK) agreed to allow Independent Lumber, Inc. (ILI) to provide the above services outlined in the contract between the two parties dated August, 2002. These services were to include the construction documents and materials to construct the new EMK washeteria building.

Since last August, EMK and their consultant ASCG, Inc. (ASCG) have been attempting to receive construction documents from ILI in a timely manner to review and provide design comments prior to Owner approval and acceptance of the design. With the acceptance of the design, a materials list was to be submitted for approval and the approved materials were to be delivered to the designated shipping location in the state of Washington.

ILI has currently delivered standard drawings to date but has not delivered a set of blue prints for this specific project. These blue prints have not been approved by the State of Alaska Fire Marshal nor has the Owner approved the required documents. It is our understanding that materials have been delivered at the dock of the shipping location.

ILI's has not performed as required by the Owner nor have they completed their work under any normal Industry design and construction document process. It appears that either ILI desires to under perform their agreement or they wish to proceed without Owner approval. Because of ILI's actions, EMK hereby notifies ILI of their failure to perform the agreement as required:

- ILI has not performed according to the agreement made with EMK regarding the purchase of the washeteria facilities design, building plans and materials review.

- ILI has not progressed with the design work in a timely manner to allow review and acceptance of plans prior to shipment of materials even though EMK has forwarded numerous documents of the notification of such requirements and timely delivery.
- ILI has not completed the agreement requirements for the project prior to the shipping date; while EMK has paid the agreement required \$36,000 in September 2002 to provide the design, Owner and Fire approval and Construction Documents.
- ILI notified EMK on April 14, 2003 that ILI has already began delivery of materials to the shipper at the shipping docks in the State of Washington prior to the design and construction document completion, review and required approvals.

Due to ILI's improper activity, conduct and lack of timely response prior to the required and known dates, EMK will take the following actions to protect their rights to ensure the receipt of the approved construction documents and required materials in Emmonak to construct the Washeteria.

1. EMK will receive and forward the partial delivery of materials prior to the completion, review and approval of the design and construction documents.
2. EMK's receipt of these materials does not remove or relieve ILI of their agreed responsibility to provide the required documents and the remainder of the building materials, mechanical and electrical design and materials for the building after they have been submitted, reviewed and approved.
3. ILI will pay for any additional cost to ship those delayed building materials, mechanical and electrical equipment to Emmonak to complete the required washeteria structure and systems.
4. Because of ILI's actions, EMK is forced to send a representative to the shipping docks to verify the materials received and their condition prior to any payment being made.
5. In good faith, EMK will pay ILI an amount of \$80,000 for the materials delivered to the docks after inspection of materials at the docks.
6. EMK will pay the remainder of the materials price, (this amount does not include the construction support and profit costs), upon receipt of the completed building design and receipt of remaining construction materials, electrical and mechanical materials, equipment, supplies and construction documents delivered to the shipping docks.
7. EMK will deduct from the remaining funds (construction support and profit) due ILI any and all costs above and beyond the Denali Commission's construction

Materials For Washeteria Emmonak

The following list of items do not appear on the materials list supplied from Independent Lumber of Fairbanks.

Piling Foundation:

5 1/8" wide brackets to be welded on top of the pier caps.	27
Galvanized bolts or Lag screws to secure glu lam to brackets	116

no detail on how the brackets are to be installed were shown on the drawings, therefore, I am assuming the quantity of lag screws or bolts. I am also assuming the 50 Lag bolts and washers shown on the material list are to be used to tie the slab to the sub floor. No size is given on the material list describing the length or diameter of lag screws and washers being provided.

Cement needs to be pre mix not straight portland, as the village has no sand and gravel for mixing concrete

The pipe chase for building waste below floor is not shown on the drawings, and the materials required for under floor waste piping is not shown. We will need a 2' x 2' chase and it should be insulated with 8 inches of blue board all the way around the pipe. A couple of the heat loops should return through the chase to keep a little heat in the chase and avoid freezing.

Floor System

I need 105 sixteen foot floor joist instead of 100. Normally on the ends of the building a second floor joist is installed to assist in attaching the outside bearing wall to the deck. As designed, the 2X8 outside wall will be sitting on the deck with only 1 1/2" of floor joist underneath the outside edge of the wall. The additional floor joist will allow us to put a second joist underneath the outside bearing walls on both ends. We will then have 3 extra 2X12 to account for split or broken lumber that cannot be used.

I will need 13 fourteen foot rim joist for the same reason as stated above. This gives me one extra.

I will need 246 lineal feet of blocking material between the floor joist. The plan shows blocking above the walls, we do not have walls under the floor joist but 3 glu lams stretching 82 feet. The material list shows 100 lineal feet of blocking on the deck.

The insulation shows 29 bales of R 19 at 24" wide. It should state R38 at 24" wide. The other insulation should be enough to insulate 770 square feet of floor at R38 16" wide.

The sub floor is shown at 85 sheets of 1 1/8" T&G plywood. We will need 90 sheets of sub floor materials. I want the supplier to insure that the T&G plywood for the floor is packaged in a way that will protect the tongue and groove from damage during shipping and storage.

89 sheets of 3/8" will be required under the floor.

We will need 2 rolls of tyvek for under the floor. No tyvek for under the floor appears on the list.

Exterior Wall System

Quantity of wall plates shown on the material list is 700 LF. This only allows for 4 feet of waste. That is not possible, as the lumber must be cut to fit. We will need 750 lineal feet of 2X8 materials for the wall plates.

2X8 stud materials is shown on the material list as 120 studs. That does not account for the corners, or wall intersections. I will need 160 2X8 studs.

We will need 37 bales of R15 insulation for the walls. The material list shows 36 bails.

Roof

We will need 115 sheets of 1/2" decking for the roof instead of the 106 sheets shown on the material list. Again, they are not figuring on the waste from cutting wood.

Comments:

The materials list that was sent to us does not include any plumbing or electrical on it. There are no shelves, vanities, mirrors, towel racks, coat hangers.

Also in the flooring section, the 1 foot square floor tiles are still listed. Martin Moore did not want that type floor.

I have noticed that on every item, ILI has calculated the footage, and put that on the list with no extra for waste. Unfortunately there is always waste. When I do a job in the bush, I always order 5 to 10 percent over on woods etc. This allows for waste and bad materials.

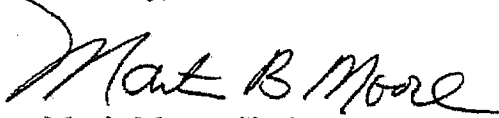
It is much more expensive to order a few items and have them flown in than it is to order a little extra. In the situation where you order the materials in a package, the supplier has incentive to calculate the materials needed for the job short. As they will not be the ones to pay for the extra freight and materials when it is learned that project material is short. Typically when the manager calls the supplier back and tells the supplier that they were short, the supplier just tells the project manager that enough was sent and his men did not build it according to the plan, or they cut the material wrong. The supplier gets away with this on bush jobs, because a lot of times the one that ordered the package is not the one building it.

budget funding which is verified by EMK's contracts entered into under their funding budget that EMK has with other contractors, supplies or consultants.

Furthermore:

- ILI is responsible for any damaged or lost materials prior to the arrival of materials at the shipping point in Washington, and;
- ILI is responsible to provide and pay the shipment of any materials, equipment or supplies shortage if it cannot be verified by delivery receipts to the Washington dock sailing date of May 5, 2003 or if the ILI's design take off quantity was not correct to complete the building to the required final product.

Sincerely,



Martin Moore, City Manger
City Of Emmonak

Cc: Jim Voigts, ASCG, Inc.
Yuri Morgan, Denali Commission